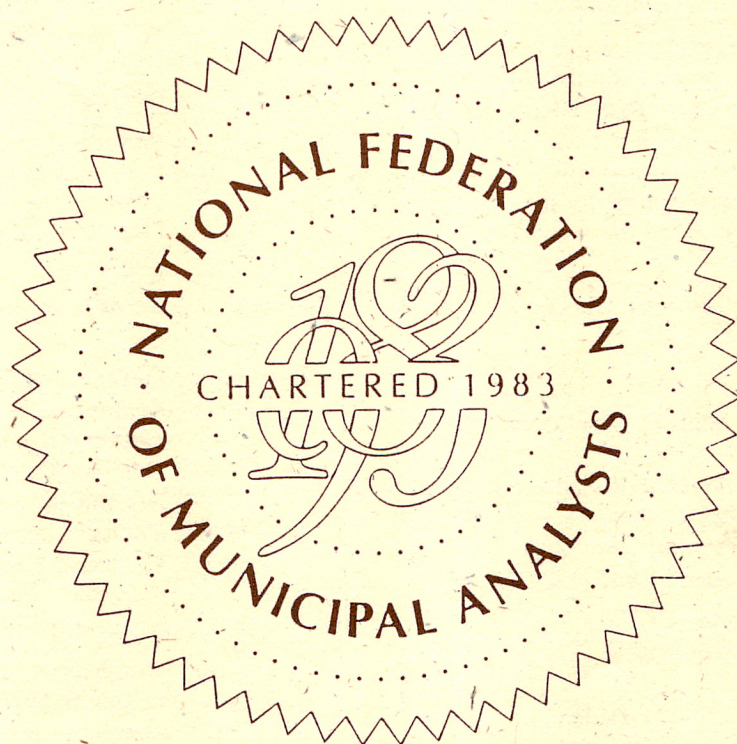


THE CHANGING TIDE: NEW DIRECTIONS  
IN THE MUNICIPAL MARKET



TWELFTH ANNUAL CONFERENCE  
PLAZA SAN ANTONIO  
SAN ANTONIO, TEXAS  
APRIL 5 - 7, 1995



1995

**Tuesday, April 4**

8:00-5:15 **Pre-Conference** (see additional program)

8:00-9:30 p.m. **Welcome Cocktail Reception**

**Wednesday, April 5**

7:30-8:30 **Registration and Continental Breakfast**

8:30-8:45 **Opening Remarks**

*Bill Oliver*, NFMA Chairperson, Vice President, Alliance Capital Management

8:45-9:00 **Announcements**

*Ken Willmann*, 1995 Conference Chairperson, Vice President, USAA Investment Management Company

9:00-9:30 **The New Political Agenda**

With the Republicans now in control of both houses of Congress, analysts need to know what new direction the nation will go. The speaker for this session will discuss the new political agenda for the nation, and how it will affect the municipal market.

**Speaker:** *Michael T. Andrews*, Director, Salomon Brothers, Inc.

9:30-10:45 **Environmental Regulation: The "Cost" of Compliance**

Insights into environmental topics affecting issuers and their bonds. Overview of legislation and costs to municipalities to comply with Congressional mandates.

**Moderator:** *Jeffrey Wilson*, Senior Research Analyst, Franklin Group of Funds

**Panelists:** *Mark Ryan*, Vice President, Smith Barney, Inc., *William Hogan*, Vice President, Moody's Investors Service  
Third panelist to be announced

10:45-11:00 **Break**

11:00-Noon **Implication of Changes in Funding for Public Education**

Legal and political pressures have moved some states to take on an increasingly large burden of funding education, which clearly has long-term credit implications for both states and localities involved. The panel will discuss recent trends in public school financing both from the perspective of their home states and from a broader perspective around the nation.

**Moderator:** *Michael Brooks*, Senior Municipal Credit Analyst, Sanford C. Bernstein & Co., Inc.

**Panelists:** *Richard Laine*, Assistant Superintendent for Finance, Illinois State Board of Education, *Thomas Patton*, Senior Director, Division of State Funding, Texas Education Agency.

12:15-1:45

**Luncheon**

**Keynote Speaker:** To be announced

2:00-3:00

**Corrections: Rising Fiscal Impact: Alternative Capital Financing/ Management Approaches**

This panel will discuss the extraordinary rise in the cost of corrections; the effect it is having on state fiscal priorities; and the long-term effects of new sentencing structures such as, "Three strikes, you're out!" The panel will also cover privatization costs/benefits and new capital financing approaches.

**Moderator:** *Maury Cooper*, Senior Vice President, Capital Guaranty Insurance Company

**Panelists:** *Steven Ferst*, Assistant General Counsel, Florida Department of Corrections, *Steven McClure*, Vice President, Capital Guaranty Insurance Company

3:00-3:15

**Break**

3:15-4:15

**Medicaid: To What Extent Can Realignment Address the Fiscal Impacts of Growing Medicaid Costs?**

This panel will discuss the likely effects of realignment on federal funding for medicaid, state budgets, and urban hospitals. It will also address the impact on service delivery and employment in the health care industry.

**Moderator:** *Maury Cooper*, Senior Vice President, Capital Guaranty Insurance Company

**Panelists:** *Jane Horvath*, Director, National Academy for State Health Policy  
Two panelists to be announced

Evening Free

**Thursday, April 6**

7:30-8:30

**Continental Breakfast**

8:30-9:30

**Quantitative Portfolio Techniques**

What are the building blocks of bond mathematics? The speaker will discuss the techniques for quantitative portfolio management, including discounted cash flow, duration, convexity, the pricing of forwards, total return and option-adjusted spreads.

**Speaker:** *Eric Vandercar*, Vice President, Morgan Stanley & Co.



9:30-10:15 **Regional Economic Update**  
This session's speaker will present an in-depth update of the regional economy, with particular emphasis on the State of Texas.

**Speaker:** *Ray Perryman*, Ph.D., President & CEO, Perryman Consultants

10:15-10:30 **Break**

10:30-11:45 **An Evolving Industry: Electric Utilities**  
What has happened to electric utilities since deregulation, what can we expect, and how will this affect municipal utility credits? In a change of format, the panel for this session will comprise three industry analysts who will question four rating agency analysts, much like "The Firing Line."

**Moderator:** *Neill Conkling*, Security Analyst, USAA Investment Management Company

**Rating Agency Analysts:** *Kendrick Anderson*, Group Vice President, Duff & Phelps Credit Rating Co., *William Cox*, Director & Manager, Standard & Poor's Corporation, *Dan Aschenbach*, Vice President & Supervisor, Moody's Investors Service, *Alan Spen*, Executive Managing Director, Fitch Investors Service

**Industry Analysts:** *Jere Dodd, Jr.*, Senior Vice President, The Robinson-Humphrey Company, Inc., *William Fish*, Senior Vice President & Manager of Municipal Research, Donaldson, Lufkin & Jenrette Securities, *Gary Krellenstein*, Vice President, Lehman Brothers

11:45-12:30 **NFMA Discussion on Testing and Certification**

2:00-5:00 **Optional Tour of San Antonio Electric & Gas**

Visit San Antonio Electric & Gas power plants to get a first-hand view of operations. Buses will leave the hotel at 2:00 p.m. and return by 5:00 p.m. (Please wear casual clothes and walking shoes.)

6:30-7:30 **Cocktail Reception**  
*Sponsored by MBIA Corp.*

7:30-10:00 **Awards Dinner**

**Friday, April 7**

7:30-8:30 **Continental Breakfast**

8:30-9:30

**Municipal Bond Structural Provisions: Their Impact on Bondholder Protection and Credit Quality**

This session will discuss some of the more important structural characteristics which are part of a municipal bond, i.e., rate covenants, additional debt provisions, call features, indenture amendments. Emphasis will be placed on what has changed in the area of structural provisions and the impact on credit quality and bondholder protection.

**Moderator:** *Scott Albrecht*, Vice President, Federated Investors

**Panelists:** *David Rogers*, Partner, Bricker & Eckler, *Michael Rosenthal*, Assistant Vice President, John Nuveen & Co., Incorporated

9:30-10:45

**Understanding Municipal Bankruptcy**

A discussion of the history of municipal bankruptcy, the "who's" and "what's" of Chapter 9 filings, and what a municipality faces as it tries to work out from under extreme distress.

**Moderator:** *Joe Rosenblum*, Director of Municipal Credit Research, Sanford C. Bernstein & Co., Inc.

**Panelists:** *Natalie Cohen*, President, National Municipal Research, *Bennett Murphy*, Partner, Latham & Watkins, *Harrison Goldin*, Senior Partner, Goldin Associates, L.P.

10:45-11:00 **Break**

11:00-Noon

**Investment Policy and Creditworthiness: What it Means to You**

In the aftermath of Orange County, our speakers will discuss how the investment policy of a municipality can have a real impact on that municipality's credit standing.

**Moderator:** *Neill Conkling*, Security Analyst, USAA Investment Management Company

**Panelists:** *Rob Dulaney*, Cash and Debt Administrator, City of Dallas, TX, *Thomas Hayes*, President, Metropolitan West Securities

Noon

**Buffet Luncheon  
Conference Adjourns**

*The views expressed at the Annual Conference are those of the speakers alone and do not necessarily represent those of the NFMA.*



## Conference Information

### CONFERENCE REGISTRATION FEE:

Before Feb. 20

\$525 Member

\$625 Non-member

After Feb. 20

\$575 Member

\$675 Non-member

\$50 Pre-Conference Registration Fee

\$75 Guest/Spouse - Awards Dinner/Cocktail Receptions (April 4 and 6)

The registration fee includes: all continental breakfasts, coffee breaks, lunches, dinner on Thursday evening, and cocktail receptions on Tuesday and Thursday evenings.

All conference registration forms should be returned to Susan Higgins, NFMA Assistant Treasurer, no later than March 14, 1995. For further information, please contact Lisa Good at (412) 341-4898.

### CANCELLATION POLICY FOR CONFERENCE:

A cancellation fee equal to one-half the total registration fee will apply to all cancellations made on or after March 14, 1995, unless a substitute is found.

### HOTEL RESERVATIONS

The Plaza San Antonio will be the site for this year's conference. Special rates are available from April 1 through April 9. Reservations must be made directly with the Plaza San Antonio by using the enclosed reservation card, or you may call the Plaza San Antonio at (210) 229-1000. You must identify yourself as part of the National Federation of Municipal Analysts group in order to receive the discounted room rate of \$131 for single or double occupancy or \$141 for triple or quad occupancy. Reservations must be received by the hotel by **March 6, 1995**.

### ABOUT THE PLAZA SAN ANTONIO

The Plaza San Antonio is located in the heart of downtown San Antonio. The hotel is a Mobil Four Star, AAA Four Diamond property, with two lighted tennis courts, health club, heated swimming pool and lawn croquet. Other amenities include complimentary newspapers each morning and complimentary use of bicycles. The historic River Walk is one block away from the hotel, the Alamo, three blocks away.

### AIRLINE RESERVATIONS

Special discounted fares have been negotiated through Continental Airlines and USAir. Certain of these fares do **not** require a Saturday night stay.

You or your travel agent may contact the airlines directly using the file numbers shown below, or you may call Elaine or Jill at Carothers Travel, 1 (800) 578-4300 for assistance in your travel plans. Please identify yourself as a part of the National Federation of Municipal Analysts.

Continental Airlines 1 (800) 525-1700

USAir

Reference Code MY9JYT

Gold File Number 44590027

Ticket Designator: ZE7W

### GROUND TRANSPORTATION

CAR RENTAL - Elaine and Jill at Carothers Travel, 1 (800) 578-4300, will be available to assist you with your car rental needs, if you desire.

TAXI - \$15.00 one way from the airport to The Plaza San Antonio.

LIMO - \$40.00 one way from the airport to The Plaza San Antonio. Arrangements may be made through the concierge at the hotel.